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THE LABOR PROBLEM—EXPANSION AND ITS EFFECT
ON AMERICAN LABOR.

TO REPEAL WAR REVENUE TAXATION.

SPEECHES

OF

HON. JAMES M. ROBINSON,

OF INDIANA,

IN THE

HOUSE OF REPRESENTATIVES,

February 17 and 18, 1902.

WASHINGTON.

1902.



The Labor Problem—Expansion and Its Effect on American Labor.

SPEECHES
OF
HON. JAMES M. ROBINSON,
OF INDIANA,
Tuesday, February 18, 1902.

The House being in Committee of the Whole on the state of the Union, and having under consideration the bill (H. R. 11353) making appropriations for the current and contingent expenses of the Indian Department and for fulfilling treaty stipulations with various Indian tribes for the fiscal year ending June 30, 1903, and for other purposes—

Mr. LITTLE. I yield to the gentleman from Indiana [Mr. ROBINSON].

Mr. ROBINSON of Indiana said:

Mr. CHAIRMAN: I agree with the gentleman from Tennessee [Mr. PADGETT] that upon the shoulders of labor rests the burden of taxation.

Labor is likewise burdened by trust exactions imposed by the combinations mentioned by the gentleman from North Carolina [Mr. POUL].

These trusts and monopolies have flooded the field of industries in the last few years. Why do you not consult the interest of labor when you mold the policies of government? So far from consulting it, you mould impose taxes on labor that you may further oppress it, under the plea of "trade expansion," by bringing into competition with it the lowest-paid labor in the world.

Our present colonial policy, which so vitally and adversely affects labor, received its full measure of encouragement by a taxation of the masses to augment the surplus in the Treasury.

The toilers who bear the taxation are made to feel the heavy hand not only in taxation, but in appropriations, to bring within our domain and hold Asiatic and tropical peoples who will dispute with them in all the walks and avenues of labor.

From earliest time there has been a conflict for supremacy between those of the race well favored with world's goods and those who struggled for subsistence. At first this conflict was waged by force of arms. Brute force and violence held full sway. The weak succumbed to the strong and became their serfs and slaves. Later in the progress of the world governments were established to equalize conditions, to guarantee rights, and to redress wrongs.

The struggles between the contending forces have gone on through governmental institutions, and in this country to-day the only real power of government that needs to be controlled by any interest to dominate all the others is taxation. It involves the raising and equipping of armies, the creation of navies;

it involves expansion: it involves everything in government, for appropriations, which are the life of administration, must be preceded by taxation.

Taxation can create or destroy. In government it has done both. If taxes were so adjusted as to charge by tolls and tributes those special interests clamoring for colonies and expansion and exclusively receiving the benefits of it, in short, if the people were, by a system of taxation, relieved from this burden and it was placed on commercialism, where it belongs, this policy would cease and we would be spared the evils that follow in its train.

The power of taxation has been used to foster "infant industries" and is still used to "protect" them after they have reached full manhood. Everything in government that is known is made or unmade through the great power of taxation.

The producers of wealth—the laboring men—pay the greater part of the tributes levied by the Government in the form of taxes.

But what recognition is accorded to them in legislation? The Government in late years, under the policy adopted by the Administration, has come to tax the people each year on an average \$10 a head for the support of National Government. This amount falls heavily on the laboring man and his family, when to it must be added the State, county, and municipal taxes necessary to support local administration.

A large share of the national taxes is expended for the luxury of a colonial policy that tends to bring closer to us and into our dominion an Asiatic cheap and competing labor which lowers the level of our labor and makes it less able to bear its burden of tax. The annexation of every new island opens a flood gate to cheap labor. It will be a menace so long as boats ply between the ports. You can not keep it out when the bars are once laid down unless you can eradicate the cupidity of man.

It will be useless to try when you are adding more coasts to watch, more territory to patrol. With the ingenuity and cunning of man, and the sordidness of the navigation corporations, it will be physically impossible to keep cheap labor away, not to mention the impolicy and destructive consequences of attempting to prevent free migration from one part of our country to another. Where will the line be drawn? How long will a people under our flag be bound down by restrictions on their travels? Will they not ever be in revolt, or be abject slaves to the unjust system of American colonial rule?

California and the Pacific coast States that have been afflicted as with a plague by the incoming of Asiatics seek by act of Congress to keep out the Chinese inhabitants of Hawaii. This is manifestly in the interest of labor, but can it be lawfully done?

The Japanese and Filipinos are as great a menace to labor as the Chinese. Many of the former as artisans are along the streets of the populous cities, many are working as domestics, and many are on the farms and in the gardens of California and the Western States, and many more are scattered over the face of this broad country disputing with their low grade of living and low wages that labor which has heretofore been performed by Americans.

But it seems we must deal gently with the Japanese because they aided us in the trouble in China; because, forsooth, Japan is ready to aid in the division and exploitation of China.

So far from showing the proper interest in labor, you make not

the least efforts to keep out the Japanese, a more dangerous menace to American labor than the Chinese. You exclude the latter, why not the Japanese? You have the power. The Japanese treaty of 1894 gives you expressly the power. I read on page 353 of the *Compilation of Treaties*, in force, of 1899, article 2, paragraph 3:

It is, however, understood that the stipulations contained in this and the preceding article do not in any way affect the laws, ordinances, and regulations with regard to trade, the immigration of laborers, police, and public security which are in force or which may hereafter be enacted in either of the two countries.

Sir, the reason for the retention of the Philippines is for the exploitation of China. This policy is urged on and encouraged not by the patriots, not by the men who labor and pay our taxes, but by those who want to profit at the expense of weaker people. What is our attitude in China? It can all be gathered in brief from pages 43 to 45 of President Roosevelt's message.

The President says:

Owing to the rapid growth of our power and our interests on the Pacific, whatever happens in China must be of the keenest national concern to us. The general terms of the settlement of the questions growing out of the anti-foreign uprisings in China of 1900, having been formulated in a joint note addressed to China by the representatives of the injured powers in December last, were promptly accepted by the Chinese Government. After protracted conferences the plenipotentiaries of the several powers were able to sign a final protocol with the Chinese plenipotentiaries on the 7th of last September, setting forth the measures taken by China in compliance with the demands of the joint note, and expressing their satisfaction therewith.

"Promptly accepted" are proper terms of designation of the action of China, which seeks to rule 400,000,000 people with an inert soldiery.

Why should not China "promptly accept" what all the powers of Europe and what the United States, all with trained soldiers on her territory, demanded of her?

What further does the President say:

Provisions have been made for insuring the future safety of the foreign representatives in Peking by setting aside for their exclusive use a quarter of the city which the powers can make defensible and in which they can, if necessary, maintain permanent military guards; by dismantling the military works between the capital and the sea, and by allowing the temporary maintenance of foreign military posts along this line. An edict has been issued by the Emperor of China prohibiting for two years the importation of arms and ammunition into China.

Here is a surrender of sovereignty by a weaker country to the superior force of the joint powers. Here is the first step in the dismemberment of China by the other countries of the world. We join in the erection of military forts and establishments in a foreign country.

Under the provisions of the joint note of December, 1900, China has agreed to revise the treaties of commerce and navigation and to take such other steps for the purpose of facilitating foreign trade as the foreign powers may decide to be needed.

Here it is shown that China yields to the other countries, "the powers," the right and authority to dictate and decide what is needed in the revision of China's treaties of commerce and navigation, and is to take such other steps "for the facilitation of foreign trade" as the foreign powers may decide to be needed.

This is an abdication of power of government by China forced by "the powers."

Again this surrender of power is shown:

The Chinese Government has agreed to participate financially in the work of bettering the water approaches to Shanghai and to Tientsin, the centers of

foreign trade in central and northern China, and an international conservancy board, in which the Chinese Government is largely represented, has been provided for the improvement of the Shanghai River and the control of its navigation.

Then follows a statement which shows how far the United States and Europe has encroached on China. It shows a monopolizing of a material part of the taxing power of government by the United States and "the powers." It reads:

In the same line of commercial advantages a revision of the present tariff on imports has been assented to for the purpose of substituting specific for ad valorem duties, and an expert has been sent abroad on the part of the United States to assist in this work. A list of articles to remain free of duty, including flour, cereals, and rice, gold and silver coin and bullion, has also been agreed upon in the settlement.

Thus we control the tariff laws of China. Is this proper? Is it wise for our country to enter into the affairs of another country? Would our country submit to any such rule, such exactions by other countries?

We lay a tariff tax on wheat and flour and rice in our Dingley bill, but in the tariff bill that we joined "the powers" in forcing on China we put them on the free list.

A singular and portentous anomaly. Republicans standing for protection in America and for free trade in China. In tariffs they stand for one thing in the United States, another thing for Cuba; for one thing at one time in Porto Rico, and for another at another time, and for still another policy in China, and for a mixed policy in the Philippines.

To this incongruity does the avidity for power and thirst for dominion lead us.

Surely in polity and in domestic rule each nation is the equal of any other.

Surely no rule of this Government can be found to justify us in levying a tribute on, or assuming a governmental function in, or exacting a right to pass a revenue law for China.

Continuing the President, as if in palliation of our conduct, says:

During these troubles our Government has unswervingly advocated moderation, and has materially aided in bringing about an adjustment which tends to enhance the welfare of China.

On page 45 of his message the President says:

Leaving no effort untried to work out the great policy of full and fair intercourse between China and the nations on a footing of equal rights and advantages to all. We advocate the "open door" with all that it implies; not merely the procurement of enlarged commercial opportunities on the coasts, but access to the interior by the waterways with which China has been so extraordinarily favored. Only by bringing the people of China into peaceful and friendly community of trade with all the peoples of the earth can the work now auspiciously begun be carried to fruition. In the attainment of this purpose we necessarily claim parity of treatment, under the conventions, throughout the Empire for our trade and our citizens with those of all other powers.

What has the Philippine "open door" done for us in the Philippines? It has given us a war that has cost hundreds of millions of treasure and thousands of lives, and in return for this, according to the last annual report of the Secretary of War, on pages 76 and 77, we get in trade (let me read): "Out of a total in one year of \$53,000,000 of imports and exports the United States got the paltry amount of \$5,000,000, both amounts in round numbers." Ten per cent of profit in this trade would represent \$500,000 as the recompense to the traders for the expenditures of war by the nation. Does it pay? Let us be honest with ourselves. Let us be fair to the people. Does it pay?

This is a new system of international comity—this nation to rule another for her benefit. This sounds again like “manifest destiny,” but used in a different sense than that in which the President used it once in his work on Thomas H. Benton, of Missouri. In that work he styled those who favored aggression on weaker peoples as men of “easy international morality.”

The President shows, in his message, our purposes and intentions to share in the arbitrary rule of China, and mellows this harsh and unwarranted treatment by the assertions that it is our right and for her good.

Thus we face the great and momentous problem, whether this nation should assume the dangers and evils and entanglements that will ensue from the dismemberment of China, to which this policy of the party in power unerringly and inevitably leads.

The President likewise shows that the “open door,” which is England’s colonial policy, will prevail in China under the rule of the powers, and we are thus committed irretrievably to the “open door” so long as we retain a foothold in the Philippines.

How fortunate it would have been had this nation been checked in its policy of imperialism by a lack of revenues that furnished the means for these new and dangerous enterprises. How much would we have saved in blood and treasure and in national honor.

Occasionally some one with a sinister design concealed rises up and says, “give us expansion with the golden rule.” These principles do not go together. No such incongruous thoughts can inspire one prompted by true Americanism. The golden rule is too sweet, too harmonious, too Christian, to enter into a problem that involves the shedding of human blood.

Why invoke “manifest destiny” and the “golden rule” to justify oppression, bloodshed, and warfare? He that does this clothes in the livery of the best masters to serve the devil in. If appeals to religion can be made, if the “golden rule” and “manifest destiny” can cover the crime of imperialism, how much, I wonder, will these great cardinals be appealed to in years to come to cover up national sins?

It is claimed that we annexed the Hawaiian Islands by reason of their strategic value as a key to the Pacific and to prevent the peaceful invasion of them by the Japanese. It is asserted that Porto Rico came to us as a fruit of war, and that she is also of value as a key, as a strategic point in the Atlantic. Of these two keys one was admitted under the Constitution, the other outside its pale.

We hold a suzerainty in form over Cuba, because it is alleged she is near our shores, and the Monroe doctrine is again invoked.

The same class of statesmen would have us purchase the Danish West Indies from the King of Denmark, not for a strategic point, for we have already Porto Rico, but in furtherance of and maintenance of the Monroe doctrine. They appeal to the Monroe doctrine to justify colonial rule in the West, but abandon it in their attitude in the Far East. Why appeal to the Monroe doctrine to justify the holding of islands in the West and refute and repudiate it by holding islands in the East?

Those in whose interest this policy is urged, without compunction, if indeed the word conscience can be found in the lexicon of commercialism, with a versatility and elasticity they claim that manifest destiny guided us to the Philippines. If manifest destiny and not the commercial interests guided us to the Philippine

Islands, what power is it that urges on to the rule of China? Was there ever an instance where the exercise of a power was more exacting and autocratic than that in which we joined the powers in the rule over China? Can we dissociate this exercise of sovereignty from the abject submission of China and the absolute rule of the powers? The United States, in conjunction with the other countries of Europe, becomes a tyrant for the rule of a weaker country.

Why this departure? Why should this country enter into the politics of Asia? Thus are islands annexed, entangling alliances assumed, and the insidious wiles of foreign influences courted against our traditions and against our most familiar notions of American prudence and policy, because the commercial powers of this country, which already fully control the legitimate markets of the world, desire the Government to use its power and its money to open up new and untried and un-American fields for exploitation.

The American laboring man, who has the power to control his country's policy, can not see in this new-fledged system any guaranty for his interests or his future safety and protection. You have bound the Philippines down with chains. You have oppressed Porto Rico. You have joined the powers in the control of China. You have curbed the freedom of Cuba, and, after tying her hand and foot, you are getting ready to still extend your character as men of "easy international morality" by stifling your consciences against her appeals for humanity. You have raped her industries, and if you refuse her full reciprocity you lay her helplessly at your feet.

Hawaii so far has escaped. She was annexed in 1898, when we were imbued with the spirit of true Americanism. The Hawaiian Islands were admitted to full fellowship under the Constitution and the flag.

In passing the organic law for their government we ruthlessly and rightly tore down the slave flag that covered the serfdom there before, and snatched from the driver's hand the lash that beat the backs of men and women who labored under contract. I voted against the admission of Hawaii, believing that American labor would suffer by its inclusion.

To those who favor island annexation the unwelcome truth has been unfolded by our experiences in Hawaii. The census of 1900 shows that of the total population of 154,000 in an area one-fifth the extent of Indiana, 25,767 are Chinese as against 17,002 in 1890, and 61,111 Japanese in 1900 as against 12,360 in 1890.

The census shows a population of native and mixed Hawaiian blood of 37,918.

This is the heterogeneous admixture of the un-American races that were inflicted upon the laboring men of this country by the resolution of the gentleman from Nevada [Mr. NEWLANDS], and as he has recently introduced a resolution for the annexation of Cuba I hope that in the interest of American labor he will see the evil consequences to our workingmen and forbear bringing islands into our dominion. Let us aid Cuba to help herself. With this our mission is ended. Can our laboring men compete with the Chinese and the Japanese of Hawaii or with the native Hawaiians?

This is full American territory. They must be admitted with full privilege with the mainland or the Constitution be endangered by attempts to keep them out. Such is colonial rule in its

protection to labor, and thus must you abandon the interest of the toilers or give but a limited constitutional guaranty and protection to the inhabitants of Hawaii.

There is no reason for duplicity or deception, for uncertainty or vagueness. Our Government is strong in military prowess. It should be just and merciful and magnanimous. It must deal fairly with the soldiers and their families, who are tortured and distressed in body and in mind by deadly war and pestilential disease. Our Government must be fair to them or retribution will come.

The President and his advisers know full well the meaning of language, and they can say that it is the purpose to give the Philippines their independence, as we did to Cuba, and at that instant the war in the Philippines will be ended.

The President has not said so. His advisers have not said so, and the war goes on. All civilized nations know the consequences of war. Americans know them full well. Our duty lies along the pathway blazed out by the Declaration of Independence, the Constitution, our traditions, and humanity.

The Bacon resolution, introduced in the Senate before the direful consequences in the Philippines had befallen us, would have spared and rescued us from these misfortunes.

It reads like this:

Resolved further, That the United States hereby disclaim any disposition or intention to exercise permanent sovereignty, jurisdiction, or control over said islands, and assert their determination, when a stable and independent government shall have been erected therein, entitled in the judgment of the Government of the United States to recognition as such, to transfer to said government, upon terms which shall be reasonable and just, all rights secured under the cession by Spain, and to thereupon leave the government and control of the islands to their people.

This resolution was opposed by the body of Republican Senators and was supported by the Democrats. The vote resulted in a tie and was decided in the negative by the deciding vote of the Republican Vice-President. It may have been thought at that time that there would be no serious insurrection, no serious rebellion, no strenuous war for human liberty, and no great drain in money. All these matters have been made clear to us now, to our misfortune.

Our duty is made plain to us in the language of the Democratic platform, which but voices true Americanism. It says: "We favor an immediate declaration of the nation's purpose to give to the Filipinos, first, a stable form of government; second, independence, and, third, protection from outside interference, such as has been given for nearly a century to the Republics of Central and South America."

There is not a Filipino of the millions on the islands, from the most cultured to the slave-owning, polygamous inhabitants of the Sulus, who cares for us or for our institutions, except as their attachment is held by the mighty arbitrament of the sword or by the more mild and seductive influences of money, filched by taxation from the islanders to hoist into office mercenary Filipinos, whose attachment to our Government is measured by the tenure of their offices and the amount of the perquisites they afford.

Every Filipino who has a sense of patriotism as it is understood by Americans is to us an enemy, a traitor, or a spy. This is shown by the testimony of our officers, military and civil. Our warfare shows it, and it is disclosed in the history of the islands.

Filipinos may be in the service of the United States, they may pretend to be our friends, but they will wait forever to strike the invader; and when the opportunity comes and the blow is struck, it will show us the folly of lulling ourselves into a security while treachery was so plainly written in their dissembled conduct.

From all the reports that come to us it does not take much penetration to see through the slight veneer that covers the real character.

If this position is not correct, then no one heretofore has correctly written the history of these islands and the 8,000,000 people. If this position is not sound, then no one heretofore has understood human nature the world over.

The spirit of rebellion, as we call it, the spirit of patriotism, as they call it, is on the islands to stay, and the only question that concerns our people is whether we should be taxed to hire soldiers, to buy war ships and war supplies to suppress it. All told, colonial rule costs us annually over a hundred million. It can not be eradicated entirely. It will smolder on in embers, while Wheaton's 50,000 soldiers patrol the coasts and are quartered among them. Under daring chiefs and leaders they will rise from year to year in insurrection and rebellion. Sickness and death stalks in the wake of our army there, and plague and pestilential disease overtakes them.

To carry on this colonial Philippine policy we are taxed, not only for war, but we are taxed in the lives and limbs and health of our soldiers, taxed in tears and anguish of mothers and sisters, whose sons and brothers have been sent to those far-away islands on a dreadful mission. To mitigate in some measure the horrors of that climate it is recommended that the soldiers be relieved in a year or two of service.

The necessity for this regulation shows the danger in the climate. But who can tell how many will fall in that time victims to it by diseases peculiar to the climate? Surely more than in battle. How many will be wrecked for lives, and how liberal will the Government be to them in pensions? Let these considerations enter into the questions of taxation.

The managers of the Republican party were wont to tell us on this floor for several years that it was but a shadow of an insurrection in the Philippines; that our prophecies that it would be long, stubborn, and dangerous were ridiculous, and that the facts upon which this judgment was based existed nowhere but in the mind of some weak or designing and unpatriotic person. But the spark that kindled the flame grew to be a dreadful conflagration that takes more than one-half our Army to smother. They can only allay it. They can not conquer it altogether. How different the conditions here and there.

Seventy-five million people here and an Army less than one-half of the whole; an insurrectionary and dissatisfied people there numbering 8,000,000, and more than one-half of our Army needed to coerce and suppress them. And such a method of warfare! A system that punishes the promulgation of the Declaration of Independence and Constitution of the United States! These considerations are not sentimental. They are real; they are substantial.

If sentimentality were to be appealed to, we could cite that the war in Cuba was waged in the cause of liberty and humanity.

Now we offer them a sort of liberty, a diluted liberty, diluted by the Platt amendment.

But we give them a form of liberty, and when they set up a stable form of government it will be easy enough for the Cubans, under the sentiment that prevails in America, if I mistake not, to shake off any hold that this country may claim to have or any restraints it may have imposed, which were notoriously secured under duress from the people of Cuba.

Why not give the same guaranties to the Philippines? There is a similarity between the case of Cuba and the Philippines, if not in its good and humanitarian purposes and objects, at least in its harsh misfortunes, the result of war.

Weyler's order to the Cuban reconcentrados meant torture, death, and starvation.

Our generals in the Philippines are giving out the same reconcentrado order, in efforts to suppress the insurrection.

England finds the same effective means in her war against the Boers who fight for the South African Republic.

England against the Boers follows the example of Spain in Cuba; and has it come to this, Mr. Chairman, that we must follow the example of both to suppress the Filipinos?

To-day little Boer boys, snatched from their homes in the absence of their parents and imprisoned, now are crying for their fathers and their mothers; and little Boer girls, in reconcentrado camps, to-day are crying, bitterly crying, for their mothers and their fathers. Must we follow their example? They were kidnapped, many of them, and carried from their homes, and are now held in prison in the name of human warfare. They are kept from care and protection of parent. This is warfare as England understands it, as Spain understood it, and it is the system that is being adopted in the Philippines by our officers.

Can such acts be brutalities only when practiced by Spain and England?

Our history is moving in cycles. Our soldiers who went to Cuba in that war for liberty and humanity found reconcentrado camps with untold sufferings under the Spanish. Our soldiers now, who go to the Philippines, find the same camps of suffering and distress under American officers.

The laboring man is taxed to support a system of colonial rule that strikes at his vital interest.

Let him beware. When he understands the situation, he will rebel against it. If he fails to heed the admonition enforced by a departure from more than a hundred years of constitutional government for his protection, if he fails to do his duty, for he still has the sovereign power, and a horde of Asiatics and kindred peoples are brought in closer relations with us, then not only will labor suffer in his day, but the cloud will hang over his children in the coming generation. [Applause on the Democratic side.]

To Repeal War-Revenue Taxation.

Monday, February 17, 1902,

On the bill (H. R. 10530) to repeal war-revenue taxation, and for other purposes.

Mr. ROBINSON of Indiana said:

Mr. SPEAKER: I shall avail myself of the privilege afforded to present my views apropos of the subject under consideration.

This measure for the repeal of war taxes is not timely. It has been too long deferred. The Ways and Means Committee, abusing the patience of the country by its refusal to reduce taxation, has until now shielded itself from the demands of the people by the power of the same rules that it now invokes for the speedy passage of this bill. Does the haste now evinced show an awakening to a sense of dereliction of duty? Voicing the sentiment of the country, we on this side have repeatedly demanded a repeal of these taxes, but as often you refused, and you were fortified in these refusals by the drastic rules of the House.

So long as such rules continue no one of the minority will be held responsible for any act of legislation.

But how is it with you of the majority, whose constituencies demand lower taxes, a control of trusts, and, withal, that you should represent them on this floor? How can you, who have the power, and how can your constituencies, submit to this tyranny of the rules? For years, under Republican rule, the most popular branch of the American Congress has been governed with a rod of iron, wielded by a few on the floor, and under the sanction of iron rules by those few promoted and sustained.

History records that we have a republican form of government, but the evidence of it is not found in the House of Representatives. Scourged in conscience and in action, with party fealty making cowards of you all, you members of the majority, and your constituencies are disfranchised, while this body exists only as a relic of a proud and historic form of people's government intended by our fathers to have been transmitted to their posterity.

Must the people look only to the Senate for all there is of orderly procedure, discussion, and deliberation in the American Congress? On taxation measures it seems they must. For years a surplus in the Treasury has been piling up, with all the attendant evils. Evils in extravagance, in ill-fated and ill-starred ventures have ensued from a failure to repeal these burdensome war taxes long ago.

Policies un-American and unfortunate have been pursued which would never have been dreamed of if an unending drain of taxes had not been piled up in the Treasury.

Why were they not repealed after the Spanish war was over, as was promised? It lasted only ninety days.

The answer will disclose the attempt to change the principles of the Republic, and show a departure to the new and untried paths of colonial rule by the Republican party. Till then that party had stood for the rights of self-government, the equality of man, and for the eternal principle that all men should be free.

Where is your love of liberty now, your altruism and philanthropy, if you rob a people of self-government and deny to them the constitutional and traditional rights that Americans enjoy? This change has come through broken promises, perfidy, and national dishonor.

In 1898, when humanity and love of liberty caused us to declare war for Cuba, true Americanism actuated the hearts and minds of statesmen on this floor.

I read from the debates on the war-tax bill from the 27th to the 29th of April, 1898.

The gentleman from Maine, Mr. Dingley, whose spirit has since gone across the Great Divide, who at that time ably represented his party's policies on that side, said:

MR. DINGLEY. Mr. Chairman, this bill, as the title indicates, is a war measure—a measure forced upon us by reason of the fact that the United States is now engaged in a war with Spain, and it is in view of this fact that the Committee on Ways and Means have felt called upon to take early action with reference to replenishing the Treasury and furnishing a revenue for carrying on the war.

The gentleman from Iowa [Mr. DOLLIVER] who has since gone to the Senate, said in the same connection:

MR. DOLLIVER. I have said these things because I want the House to understand that the measure which is here proposed is no confession on our part of the failure of the Dingley bill. It aims to create new revenues to cover new expenditures. It levies war taxes because we are on the threshold of war times.

The gentleman from Illinois [Mr. HOPKINS], who also represented well his party, then said:

MR. HOPKINS. Mr. Chairman, the bill we have under consideration is, as has been well stated by the gentlemen on this side who have preceded me, prepared not to carry on and pay the necessary expenses of the Government in time of peace, but to meet the expenses of the emergency that is upon us.

But it remained for the distinguished gentleman from Illinois [Mr. CANNON], the chairman of the Appropriations Committee, to round up the purposes of his party in providing for war tax four years ago. His standing made it appropriate for him to speak, and he spoke in prophecy. He said:

MR. CANNON. I understand, in the third place, when the war ceases, that it will be the duty of the general Congress to immediately—when we have no longer need for these revenues—repeal the law. [Applause.] That is what I understand. * * * It is strictly and exclusively a war-revenue matter.

And further he said:

Not one dollar will be raised by taxation; not one dollar will be raised by borrowing, except as it is needed. If the war ends in six months, as the gentleman from Kentucky thinks it will, then we shall be in a position six months from now to repeal this taxation.

This language is particularly significant now, though it was uttered four years ago.

The gentleman to-day is regarded as the "watchdog of the Treasury;" the holder of the keys; the tribune of the people; one whom the Democrats gladly join in his efforts to secure economy. To-day he decried the evils of a surplus in the Treasury. He used his usual vigorous language, the same as he did in his speech four years ago. But, sir, what has our friend been doing during the

last four years of stupendous accumulation of surplus and wild enterprises to consume and dissipate it?

Why has he slept for four years on this proposition? He knew and deprecated the surplus and its evils; but he was silenced, as was many of his Republican colleagues, by the rules of the House. He can no more have his way than can others, so long as the present rules thwart the individual will of members and so long as the members of the majority shrink from the discharge of their duty in overturning those rules.

To-day the gentleman repeated the sentiments of his speech four years ago, but overlooked his silence of four years cruelly imposed by the Reed rules, and when the party lash was heard to-day he, with others, rushed within the lines.

Mr. PAYNE, who succeeded to the leadership after the death of the lamented Mr. Dingley and is now chairman of the Ways and Means Committee, on April 29, 1898, used this language:

The proposition of the gentleman from Massachusetts is that we provide here for a set of bonds that would be payable in three years, because, he says, he wants to continue these war taxes and pay these bonds. The proposition of the committee is that when the war is over we cut off the war taxes [applause], and that we pay the bonds as we paid the bonds of the late war—out of the usual and ordinary taxes of the Government.

These were the promises of leaders solemnly made, but the taxes went on. Extravagance encouraged by the accumulating surplus ran riot.

Vicious practices and policies were encouraged by the glitter of the people's money in the vaults. A useless and unheard-of surplus was erected, and war taxes went on till it reaches now, with the gold reserve, \$325,000,000.

More than one-half of this is taken from the avenues of business by taxation, so much indeed that you found it necessary to resort to a dangerous and pernicious policy to return it to the people.

Under the Gage system of favoritism to national banks we find to-day \$107,000,000 in round numbers deposited, without interest, in national banks scattered over the country, but largely in the East and in large cities.

This is the people's money, collected from them by the National Government in the form of war taxes. It is placed in the banks to prevent a stringency in the money market. It can be thus got out in the avenues of business by the people paying interest to the banks to get it. As this amount is strictly the people's money, and as they get it from the banks that hold it till the people pay an interest to receive it, it may be claimed by the wily money changer that the people are their own bankers; but this will hardly be relished, as they have to pay interest to get their own money from their own banker. The Lord be merciful to them, as their own money must percolate its way to them through the clay of a national banker. This is one of the vicious expedients of the great surplus project, one of the means to which end was the continuance of war taxes.

The vices of this system are easily shown. It is dangerous to make the national banks special favorites of the Government. It is still worse to regulate the exercise of such a power so that only a select coterie of bankers become the beneficiaries of this peculiar system of surplus offset.

A law may be general in its terms, but the ways of evasion seem to be known and easy in Administration circles. This system may

be useful in certain exigencies, but in most cases the practice will be vicious and violative of the best interest of the people.

Its practice confesses an unjust use of the taxing power, for without an unnecessary accumulation there would be no transfer of the money to the banks. When is this money to be loaned to the banks and when withdrawn? In good times or in times of panic? Will the Government be able at all times to withdraw it with ease? Would it not be especially difficult to withdraw it in panicky times?

To the bankers of what section will it first go? To those sections where stock gambling and where dealing in options and margins may affect local conditions, or will it go to the West for the movement of crops?

The answers to these queries will show the extreme danger that inheres in the policy.

Such a discretion is lodged in the Secretary of the Treasury that he is made a Napoleon of finance and a Czar over our money.

An officer should not have such a power, or be subject to the influences that surrounds the exercise of it. Those who submerge patriotism to greed would encourage excessive taxation to accumulate a surplus, to get the pelf.

The decisions to be made under such a power are too momentous to the people, too fraught with consequences to give to the Secretary of the Treasury the right to make them.

Another practice open to the same temptations and abuses as the one just mentioned has likewise been encouraged by over-taxation—the purchase of United States bonds by the Secretary of the Treasury.

Why should a premium for Government bonds be paid with the people's money, when the people could usefully employ that money till the bonds matured? Why exact taxation and pay a premium for low interest-bonds not yet due?

Randolph's policy of "pay your debts as you go" is one to be commended, and the speedy payment of debts outstanding is likewise good policy in public administration. It is not a good rule to excessively tax to provide a surplus from which bonds can be purchased at the market price; which means at a premium, especially when the people, if not so excessively taxed, would be better able to pay off their private, State, and municipal debts, which usually hang at a higher rate of interest over their heads.

The instances in our country's history to prove the wisdom of this practice will be rare. The evil lies in the overcollection of taxes, and the flagrant abuse, long continued, was caused by the failure long ago to repeal these taxes in response to the demands of the people. The system gives opportunity to take advantage by the banks and bond-holding classes, who must always be closely allied in interest.

When the Government offers to purchase the price of bonds goes up. So when the Ways and Means Committee adopt a system of taxation that will accumulate a surplus, the money manipulators know this and that the Government will offer to purchase their bonds, and the price goes up. The price is not always governed by their value as interest-bearing securities, being the basis of the banking system that enhances them, and the fewer of them the greater the value. If the bondholders would so far permit the Government to get out of debt so as to materially reduce its bonds, no one can tell the price to which they

would go, since they furnish to the national banker a peculiar and valuable monopoly.

The Republican policy has been to keep up taxation. They never stopped at \$150,000,000 gold reserve and a good working balance, but taxes continued till it reaches the grand total of \$325,000,000 in the Treasury.

For several years it has been a race between the Republican members of the Ways and Means Committee, that originates revenue measures, taxing the people on the one hand, and Republican Secretary Gage on the other getting it out to the bankers, the bondholders, and the people.

How did he do it? By depositing it in the banks without interest and the purchase of bonds at a premium.

A month before his resignation Secretary Gage proudly recounted that since April, 1901—in nine months—he had purchased \$58,714,700 of bonds, for which he had paid \$72,226,845.

Who placed it in his hands to pay in premiums on the purchase of bonds \$13,512,145 in nine months? Clearly the Republicans in Congress, acting under the leadership of this committee, who kept up these war taxes to create a surplus and long after they were needed for an economical administration of the Government.

In this class I do not include the \$20,000,000 paid to Spain for the Philippine Islands, and for a war, the end of which has been often predicted but has never come.

The mooted purchase of the Danish West Indies would never have been thought of if it had not been invited by the surplus. During thirty years they have been on the bargain counter. The overflowing Treasury furnishes an opportune time to try to press them upon us.

Mr. Speaker, the rule adopted gives us no right to amend the bill proposed. The minority came here this morning knowing that they would be compelled to take the medicine in doses and ingredients that your rules prescribed for them. We have no power by amendment or repeal to change another great power with which the Secretary of the Treasury was clothed by a provision of the war-tax bill and which is unrepealed by this—the right to borrow not more than \$100,000,000 on certificates of indebtedness. This is the first time in the history of the Government that this grant of power has been given. It would be rare, indeed, that availment of this provision should be made, but it stands as an additional reason why a large surplus should not be created by taxation. It furnishes adequate protection against a reduction of a fair working balance in the United States Treasury.

While an administration would hesitate long before it issued such certificates of indebtedness without calling Congress together, if it were in adjournment, yet so long as the law remains there can be less excuse for the reckless building up of a surplus, which of late has been the policy of the Administration.

From a political and official standpoint the depositing of money without interest with the national banks to the amount of \$107,000,000 and the payment each year of millions in premiums on the purchase of Government bonds is less reprehensible than is the action of the party in power in permitting these taxes to remain which made possible the large surplus and the great abuses connected therewith.